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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002980

SIPDIS

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TAGS: [PGOV](#) [PHUM](#) [PTER](#) [KDEM](#) [IZ](#)

SUBJECT: KURDISTAN PRESIDENT FORGING CONSENSUS AMONG
SUNNIS; SAYS FEDERALISM MUST "JUSTLY DISTRIBUTE WEALTH AND
POWER"

REF: BAGHDAD 2780

Classified By: Charge d' Affaires David M. Satterfield for reasons 1.4
(b) and (d)

1. (C) SUMMARY. Kurdistan-Iraq President Massoud Barzani told Charge on July 14 that his regional government had scored recent successes against insurgents in the north, but felt that overall Iraqi security had witnessed only moderate improvement over the past year. He said he was working to produce a unified Sunni leadership, but noted some elements of the community were working at cross-purposes with the Kurds. Barzani's closest politburo confidante, Fadil Mirani, sketched out Kurdish desires for "historic geographic" federalism, and Barzani noted the Kurds and Shia would share oil income with the Sunnis. Charge and NSC Senior Director for Iraq stressed the importance of TAL provisos that natural resources remain under the control of a central government in Baghdad. Barzani and Mirani expected progress to unify the two Kurdish administrations soon; Mirani said some Kurds were opposing holding new regional elections in December. END SUMMARY.

2. (C) Charge and visiting NSC Senior Director for Iraq Meagan O'Sullivan called on Kurdistan-Iraq President Massoud Barzani in Salah ad Din on July 14, and thanked him for the critical role the Kurds continue to play in forging a new era of peace in Iraq. (PolCouns, RC Kirkuk, and MNFI-I director for policy also attended the meeting.) O'Sullivan said there were many challenges still facing Iraq, we would continue to look to the Kurds and Barzani in particular to help achieve positive outcomes. Barzani said he was committed to achieving a federal, pluralistic, democratic Iraq. O'Sullivan asked Barzani to help keep pressure on the political process to ensure compliance with the timeline for the constitution, referendum, and elections outlined in the Transitional Administrative Law (TAL). She noted that the constitution need not address every difficult political issue and that some - such as the final status of Kirkuk - may best be dealt with outside the constitution and through the implementation of Article 58 in the TAL. Barzani said he would do what he could to ensure the timelines were met and stated that he would not support any proposal that would jeopardize the deadlines. He noted that the resolution of Kirkuk would take time and patience.

Ansar al-Sunna Cell Defeated in Irbil

3. (C) Barzani said that security in Kurdistan was relatively good. He and Kurdistan Democratic Party (KDP) Politburo Executive Director Fadil Mirani (whom charge met separately on July 14) both noted the KRG's recent success in arresting a major cell of Ansar al-Sunna that was planning operations in the north. Over 200 people had been arrested, many with links to jihadist efforts in Afghanistan.

Promoting New Sunni Leadership?

4. (C) Overall in Iraq, Barzani felt that security was not optimal, although there were some improvements since last year. He said different groups of insurgents needed different solutions. Some would only be eliminated through a tough response, others could be brought in through economic or social levers.

5. (C) He said he was planning to convene Sunni Arab leaders with the idea of getting them to agree on new leadership. He felt there was some chance the effort would succeed, as it included members of the Iraqi Islamic Party, National Dialog Council, the Muslim Scholars Association, the Fatwa Association, and the Sunni Waqf, as well as tribes and other leaders. (Comment: Our sense is that such a group of Sunni Arabs would never allow Barzani much say in who their leadership would be. End Comment.)

Kurds Want Historic Geographic Federalism . . .

6. (C) Barzani said it had been good to include Sunni Arabs in the constitutional process, but there were still some who were unwilling to accept the concept of power sharing. He said these elements might blackmail the Kurds; if that

happened, the Kurds would work to marginalize them. Barzani said this was a very sensitive period, "either we stay together or we separate," but noted that separation would not be in anyone's interests. He said that the Kurds were working to explain their view of federalism to the Sunni Arabs, one that would be based on the "just distribution of wealth and power." Mirani noted that the Kurds had agreed that federalism would be a "historic geographic" federalism, not based on administratively determined borders at the provincial level. (Comment: As we noted in ref, this stance on "geographic" federalism could be very problematic in terms of securing Sunni Arab agreement. End Comment.)

. . . and Agree to "Share Oil" with the Sunnis

17. (C) Barzani said that some Sunnis were apprehensive that oil income would be in the hands of Shia and Kurds. He noted that "we must give them their share of oil revenues of Kurdistan and the south."

18. (C) NSC Senior Director noted that the U.S. strongly supported TAL provisions leaving the income from natural resources in the hands of the central government. This had reassured groups in regions that were resource-poor. Such a system was also entirely consistent with the concept of federalism. Charge agreed about the importance of central government control of resources. He noted that the international community only permits sovereign entities to market their natural resources such as oil. Furthermore, any other formula would frighten Sunnis who would feel they could be frozen out of any revenue stream. The TAL formula removes their fear and thus keeps them engaged in the national political process, a critical priority for Iraq's stability.

Kurdish Unification -----

19. (C) Barzani and Mirani both noted progress on unifying the Kurdish administrations of Irbil and Sulimaniya. Mirani felt there might be an agreement on the cabinet before the end of July. Barzani said he was working to diminish the role of political parties in government.

Election Preparations -----

10. (C) Barzani told charge that he currently favored a province-based electoral district. PUK and KDP politburos were currently discussing this issue; some in each party favored the retention of a single national electoral district. He did not know what the final Kurdish position would be, but indicated that he would support movement to a provincial system. Barzani felt it unlikely that new parties would emerge before December elections, they would not be able to establish credibility with the electorate. New parties would likely emerge after that, he predicted.

11. (C) Mirani said that Kurds were currently debating the wisdom of conducting elections again in December. Many felt that the regional government should just be able to keep the same four year term of past assemblies, rather than adhere to the "transitional" concept that the TAL envisioned for the provincial and national governments.

12. (U) REO HILLAH, REO BASRAH, REO KIRKUK, REO MOSUL minimize considered.
Satterfield